

Message Text

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EXDIS - MILITARY ADDEES HANDLE AS SPECAT EXCLUSIVE

E.O. 11652: GDS

TAGS: MARR, RP

SUBJECT: PHILIPPINE BASE NEGOTIATIONS

REFS: A) MANILA 4783, B) JDS 110017Z FEB 78

1. WE AGREE THAT YOU SHOULD HAVE A VERY FRANK TALK WITH MARCOS ON MARCH 24, FOLLOWING UP INDIVIDUALLY WITH ENRILE, ESPINO AND ROMULO. THE PURPOSE SHOULD BE TO POINT OUT OUR SECRET

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DISAPPOINTMENT WITH GOP RESPONSE TO OUR OFFER AND TO BRING HOME TO THEM THE FACT THAT THERE ARE VERY REAL LIMITS ON HOW FAR USG CAN GO ON COMPENSATION, BASE USE OR MILITARY EQUIPMENT, BUT WE REMAIN DESIROUS OF REACHING AGREEMENT AND PROVIDING NEW STRENGTH TO US-PHILIPPINE RELATIONSHIP.

2. YOUR OBJECTIVE SHOULD BE TO PROBE FOR WHAT GOP CONSIDERS TO BE ROCK-BOTTOM MINIMUM DEMANDS AND WHETHER THERE IS ANY PROSPECT FOR AGREEMENT. EVEN MORE IMPORTANT, WE HOPE YOU CAN CONVINCE MARCOS, AND SOFTEN UP HIS LIEUTEN-

ANTS, AS TO THE IMPORTANCE OF PUTTING FORWARD A REASONABLE COUNTERPROPOSAL. FINALLY, THEY SHOULD UNDERSTAND THE NEGATIVE CONSEQUENCES FOR US-PHILIPPINE RELATIONS OF AN IMPASSE IN NEGOTIATIONS. YOU SHOULD STATE, AS A PERSONAL OBSERVATION, THAT NO MATTER WHAT THE USG AND GOP MAY SAY OR WISH, AN IMPASSE WOULD INEVITABLY BE SEEN IN BOTH

COUNTRIES AND ELSEWHERE IN THE AREA AS A SIGN OF COOLING RELATIONS BETWEEN THE USG AND THE GOP.

3. YOU SHOULD POINT OUT FRANKLY TO MARCOS THAT THE REVERSAL OF POSITIONS HE HAD PREVIOUSLY TAKEN DURING BASE NEGOTIATIONS, SUCH AS STATING THAT CRIMINAL JURISDICTION WOULD BE SET ASIDE, TOGETHER WITH OTHER INDICATIONS OF ANTI-US SENTIMENT BY SENIOR GOP OFFICIALS, CASTS SOME DOUBT OVER GENUINENESS OF DESIRE TO HAVE A NEW AGREEMENT AND PUT US-PHILIPPINE RELATIONS ON A NEW, EQUITABLE AND DURABLE BASIS. IS IT THE INTENT OF THE GOP TO REVERT TO THE STERILE, INDEFINITE NEGOTIATIONS WHICH TOOK PLACE IN 1976? ON THE OTHER HAND, SHOULD MARCOS WISH TO REACH AGREEMENT ON A REVISED BASE AGREEMENT, INCREASE THE AMOUNT OF FINANCIAL AND MILITARY ASSISTANCE FROM THE UNITED STATES, AND PLACE PHILIPPINE-
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US RELATIONS ON A SOLID FOOTING, THERE IS NO TIME LIKE THE PRESENT. IT IS IN THIS POSITIVE SPIRIT THAT WE HAD VIEWED THE ELECTIONS, BASE NEGOTIATIONS, AND THE VICE PRESIDENT'S VISIT. IT ALSO IS IN THIS SPIRIT THAT WE AWAIT GOP COUNTERPROPOSALS FOLLOWING THE ELECTIONS.

4. STARTING WITH THE HIGH-LEVEL EXCHANGES BETWEEN PRESIDENT CARTER AND MARCOS (AND MRS. MARCOS, ENRILE AND ROMULO) LAST SEPTEMBER, EVERYONE IN USG HAS WORKED HARD TO FIND COMMON GROUND WHICH WOULD LEAD TO AGREEMENT. PURSUANT TO THE UNDERSTANDINGS ON COMPENSATION REACHED IN JANUARY, A VERY SPECIAL EFFORT WAS MADE BY THOSE IN WASHINGTON, WITH THE FULL SUPPORT OF PRESIDENT CARTER AND SECRETARY VANCE, TO PRESENT PROPOSALS THAT WOULD MEET CLEARLY EXPRESSED PHILIPPINE DESIRES. WE UNDERSTAND THE OBVIOUS PHILIPPINE PREFERENCE FOR A FIRM MULTI-YEAR COMMITMENT BUT AS INDICATED IN SEPTEMBER AND AGAIN IN JANUARY, THIS IS NOT POSSIBLE. WE ARE SURPRISED THAT PHILIPPINE GOVERNMENT CONSIDERS THE COMPENSATION OFFER TOO LOW, SINCE IT INVOLVES IMPORTANT NEW INGREDIENTS AND IS REFLECTIVE OF THE LEGISLATIVE SITUATION IN U.S.

5. ON THE ISSUE OF MULTI-YEAR COMPENSATION, YOU MAY WISH TO DRAW UPON SOME OR ALL OF THE FOLLOWING POINTS.

-- ANY EXPENDITURE OF USG FUNDS IS SUBJECT TO THE ANNUAL

APPROPRIATIONS PROCEDURE OF THE CONGRESS, WHETHER OR NOT THE COMMITMENT IS EMBODIED IN A FORMAL AGREEMENT.

-- THIS IS ILLUSTRATED IN THE RATIFICATION PROCESS FOR THE SPANISH TREATY (REF. B). DURING 1976 HEARINGS ON

TREATY, SENATE FOREIGN RELATIONS COMMITTEE VOICED STRONG OBJECTIONS TO TREATING TREATY LANGUAGE AS FIVE-YEAR AUTHORIZATION FOR SPANISH MAP. SIMILAR OBJECTIONS WERE
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REGISTERED BY HOUSE INTERNATIONAL RELATIONS COMMITTEE WHICH, ALTHOUGH NOT PART OF TREATY APPROVAL PROCESS, SHARES RESPONSIBILITY WITH SENATE FOR ENACTMENT OF NECESSARY IMPLEMENTING LEGISLATION. AS RESULT OF THESE CONCERNS, SENATE DECLARED FORMALLY IN GIVING ADVICE AND CONSENT TO RATIFICATION OF TREATY THAT SUM INVOLVED WOULD BE MADE AVAILABLE FOR OBLIGATION THROUGH NORMAL PROCEDURES OF CONGRESS, I.E., ANNUAL AUTHORIZATION AND APPROPRIATIONS. (DECLARATION TEXT IS ON PAGE 4 OF TIAS 8360, AVAILABLE IN EMBASSY MANILA LIBRARY, AND MAY BE PROVIDED TO GOP REPS.)

-- SIMILAR MULTI-YEAR PROVISIONS IN PROPOSED AGREEMENTS WITH TURKEY AND GREECE HAVE NOT PROGRESSED TOWARD APPROVAL BY CONGRESS. IF THEY DO PROGRESS, WE EXPECT CONGRESSIONAL ACTION AS IN CASE OF SPANISH AGREEMENT, REAFFIRMING THAT THE COMMITMENT IS SUBJECT TO ANNUAL APPROPRIATIONS.

-- DURING SIX MONTHS OF CONSULTATIONS AS PHILIPPINE BASE NEGOTIATIONS EVOLVED, CONGRESSMEN REPEATEDLY INSISTED THAT THERE BE NO REPETITION OF THE MULTI-YEAR PROVISIONS IN THE SPANISH AGREEMENT. NO ONE TOOK THE CONTRARY POSITION.

-- (THIS SHOULD BE STRESSED). THE USG AT THE HIGHEST LEVEL IS WILLING TO SPECIFY TO THE GOP IN A WRITTEN DOCUMENT TO BE MADE PUBLIC THAT THE U.S. WILL EXERCISE ITS BEST EFFORTS EACH YEAR DURING THE INITIAL FIVE YEARS OF THE AMENDED AGREEMENT TO OBTAIN THE TYPE AND AMOUNT OF APPROPRIATIONS FROM THE CONGRESS THAT WE HAVE INDICATED TO PRESIDENT MARCOS. THIS DOCUMENT WOULD BE SUBMITTED TO THE CONGRESS IN CONJUNCTION WITH THE REVISED BASE AGREEMENT
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MENT, AND WOULD COMMIT THE EXECUTIVE BRANCH.

-- THIS IS A PROCEDURE SIMILAR TO THAT USED FOR THE PROPOSED AGREEMENT WITH PANAMA REGARDING ECONOMIC AND MILI-

TARY COOPERATION IN CONNECTION WITH THE NEW PANAMA CANAL TREATY. IN BOTH INSTANCES, THE MAIN AGREEMENT IS INDEPENDENT OF THE COMPENSATION NOTE, AND THEREFORE MAY ENTER INTO FORCE WITHOUT APPROVAL OF THE COMPENSATION PACKAGE. MARCOS AND ROMULO ARE AWARE OF THE IMPORTANCE WHICH THE USG AND PANAMA ATTACH TO THE PANAMA AGREEMENT. THEREFORE, THEY SHOULD RECOGNIZE THAT USE OF THIS FORMULA FOR REVISION OF PHILIPPINE BASE AGREEMENT INDICATES THE FULL

COMMITMENT OF THE EXECUTIVE BRANCH.

6. THE CONVERSATIONS WHICH PRESIDENT MARCOS AND OTHER TOP GOP OFFICIALS HAVE HAD WITH MEMBERS OF CONGRESS, AS WELL AS LAST YEAR'S REDUCTIONS IN SECURITY ASSISTANCE WHICH THE CONGRESS MADE SHOULD CONFIRM THE JUDGMENT WE HAVE PRESENTED TO THE GOP THAT CONGRESS WOULD NOT HAVE APPROVED THE OFFER MADE BY SECRETARY KISSINGER IN 1976. GRANT MAP IS BEING PHASED OUT THROUGHOUT THE WORLD, EVEN IN THE CONTEXT OF BASE AGREEMENTS. ONLY SIX COUNTRIES IN THE WORLD STILL GET GRANT MAP. NEXT YEAR, NO MORE THAN FOUR COUNTRIES WILL GET GRANT MAP. YET WHAT WE HAVE OFFERED IS SUBSTANTIAL, AND IT INCLUDES A NEW, FLEXIBLE GRANT ELEMENT (SSA). IT IS OUR INTENTION THAT THIS SHOULD BE USED TO THE MAXIMUM EXTENT POSSIBLE FOR COMMODITY IMPORT AND OTHER PROGRAMS FOR WHICH THE GOP MUST NOW BUDGET ITS OWN RESOURCES. THIS WOULD BE OF DIRECT BENEFIT TO AFP. WHEN THE CONTINUING ECONOMIC ASSISTANCE IS COUNTED, AS IT WAS IN KISSINGER'S OFFER, THE TOTALS ARE SIMILAR. WE WILL BE INTERESTED IN THE GOP COUNTERPROPOSAL ON THIS ISSUE BUT HOPE THAT IT WILL BE REALISTIC. THE MOST IMPORTANT ELEMENT OF OUR PROPOSAL IS THAT WE BELIEVE CONGRESSIONAL APPROVAL CAN BE OBTAINED,
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BASED UPON THE EXTENSIVE EFFORT WE HAVE MADE TO CONVINCE MEMBERS OF CONGRESS. ON THE OTHER HAND, SHOULD CONGRESS BE FACED WITH AN UNREALISTIC, HIGH COUNTERPROPOSAL, THE REACTION WOULD BE VERY NEGATIVE.

7. CONCERNING THE MILITARY EQUIPMENT PACKAGE, MARCOS AND ENRILE AND ESPINO SHOULD ALL BE TOLD CLEARLY THAT WE HAVE SUGGESTED SOMETHING REASONABLE WHICH MEETS THE NEEDS OF THE AFP FOR GREATER SELF-RELIANCE YET WOULD NOT STRAIN THE LOGISTICAL, TECHNICAL NOR FINANCIAL RESOURCES OF THE AFP AND THE GOP. THIS IS A SUGGESTION AND WE ARE OPEN TO COUNTERPROPOSALS YET THE REACTION AS STATED IN THE MARCH 21 MEETING IS, IN WASHINGTON'S VIEW, WITHOUT REASONABLE FOUNDATION. THE LIST ORIGINALLY PRESENTED BY THE AFP WAS OF SUCH MAGNITUDE AND EXPENSE (YOU MAY WISH TO CITE SOME NUMBERS, E.G., 340 AIRCRAFT OF 14 TYPES, 12 NEW TO THE AFP; 256 SHIPS OF 17 TYPES; AND 8800 TRUCKS AND OTHER WHEELED VEHICLES) AS TO BE

CLEARLY BEYOND REACH. WE HAVE DONE OUR BEST TO RESPOND REASONABLY, AFTER AN INTENSIVE DIALOGUE BETWEEN EXPERIENCED MILITARY EXPERTS ON AFP REALISTIC NEEDS FOR THE YEARS IMMEDIATELY AHEAD. THIS IS NOT THE BOTTOM LINE ON THE TOTAL VOLUME OF WHAT WE MIGHT BE ABLE TO SUPPLY IN ONE WAY OR ANOTHER. WE ARE INTERESTED IN WHATEVER PROPOSAL THE AFP MAY WISH TO MAKE AND THE BASIS FOR IT,

KEEPING IN MIND WHAT THEY HAVE HEARD FROM GENERAL GRAHAM ABOUT OUR POSSIBILITIES. GIVEN THE CONSISTENT RESPONSIVENESS OF THE USG TO THE MAJOR NEEDS OF THE AFP (AND HERE YOU MAY REFER TO THE ACCELERATED DELIVERIES OF LAST YEAR), THERE IS NO REASON TO DOUBT YOUR READINESS TO SUPPORT THEM.

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8. THE STATUS OF THE WATERS OF SUBIC BAY IS OBVIOUSLY A CRITICAL PROBLEM. ONE CANNOT OPERATE A NAVAL BASE WITHOUT THE ABILITY TO PREVENT INFILTRATION, TO CONTROL TRAFFIC, AND TO INSURE SAFETY OF NAVIGATION. AN AGREEMENT ON OUR SIDE WILL NOT BE POSSIBLE WITHOUT EFFECTIVE GUARANTEES ON CONTROL OVER WATERS ADJACENT TO THE LAND AREAS OF THE U.S. FACILITY.

9. WITH RESPECT TO THE PHILIPPINE BASE COMMANDER, WE AGREE THAT HIS DUTIES AND RESPONSIBILITIES MUST BE CLEAR. HOWEVER, AS MARCOS HAS EXPLICITLY AGREED WITH US, THEY MUST NOT CONFLICT WITH THE ACCEPTED CONCEPTS OF UNHAMPERED U.S. OPERATIONS AND U.S. COMMAND AND CONTROL OVER U.S. FACILITIES AND PERSONNEL.

10. IN CONCLUSION, YOU MIGHT STATE THAT WE WILL AWAIT SPECIFIC GOP COUNTERPROPOSALS, INCLUDING WHATEVER DETAILED COMMENTS MARCOS MAY WISH TO MAKE ON THE AIDE MEMOIRE. AS SOON AS THEY HAVE BEEN RECEIVED, WE WILL EXAMINE THEM TO SEE IF THERE IS A BASIS FOR A FURTHER REPLY BY US AT THAT TIME. IF PRESIDENT MARCOS SHOULD DECIDE THAT THE POLITICAL SITUATION IN THE PHILIPPINES IS SUCH THAT NO REASONABLE GOP COUNTER-OFFER IS POSSIBLE, WE ARE PREPARED TO CONTINUE THE STATUS QUO IN FULL AWARENESS OF THE UNCERTAINTIES TIME CREATES FOR ALL CONCERNED.

11. DEPENDING ON THE OUTCOME OF YOUR TALK, IT MAY BE DESIRABLE TO HAVE ADMIRAL MCCLENDON DISCUSS SOME OF OUR CONCERNS OVER BASIC ISSUES ON BASES AND RIGHTS (E.G., SAN MIGUEL--NOT MENTIONED IN AIDE MEMOIRE), GRANDE ISLAND, JOHN HAY AND WALLACE (ALL VAGUE AND UNCLEAR), PBC (SEVERAL UNCLEAR ISSUES) WITH GENERAL ESPINO. ALONG THE SAME LINES IT MAY BE USEFUL TO HAVE GENERAL MAPP AGAIN ATTEMPT TO INJECT REALITIES INTO THE EQUIPMENT LIST BY GOING OVER SOME OF GRAHAM'S POINTS RE RELEASIBILITY,

ABSORPTABILITY AND COST WITH GENERAL ESPINO OR MANIPULA.
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SPECIFICS OF BOTH ISSUES WILL BE PROVIDED BY SEPTTEL.

12. IT WOULD BE BEST TO PRESENT ALL OF THE FOREGOING
IN THE CONTEXT OF OUR BELIEVE THAT WE HAVE REACHED A
CRITICAL POINT WHICH ONLY PRESIDENT MARCOS HIMSELF CAN

RESOLVE: DO WE ADVANCE THROUGH DIFFICULT ISSUES TO A
SUCCESSFUL OUTCOME, OR DO WE SLIP BACK INTO A USELESS
AND STERILE REPETITION OF THE 1976 ROUND? WE ARE GENU-
INELY PLEASED WITH THE GREAT STRIDES MADE SINCE LAST FALL
THANKS TO MARCOS' OWN ENLIGHTENED POSITION. WE ARE
PREPARED TO LOOK FOR WAYS TO CONTINUE TO MOVE FORWARD,
BUT THIS WILL CLEARLY REQUIRE EFFORTS ON BOTH SIDES. WE
IDENTIFIED KEY ISSUES IN JANUARY--NOW WE ARE FACED WITH
THE NEED TO MOVE FORWARD OR BE PERCEIVED AS HAVING BEEN
SET BACK. WE HOPE PRESIDENT MARCOS WILL JOIN US IN MOVING
FORWARD PRIOR TO THE VICE PRESIDENT'S TRIP, SO THAT THE
TRIP CAN REPRESENT A MAJOR STEP FORWARD IN US-GOP RELA-
TIONS. (FYI: IT SEEMS LIKELY THAT THE TRIP WILL BE POST-
PONED DUE TO THE PANAMA CANAL DEBATE, BUT WE WILL NOT
HAVE NEW DATES PRIOR TO YOUR MEETING.) VANCE

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